



United States Department of the Interior

NATIONAL PARK SERVICE
1849 C Street, N.W.
Washington, D.C. 20240



February 10, 2015

Re: McMaster Professional Center (Peoples State Bank), 101 North Main Street, Scottsville, MI
Project Number: 26042

Dear

I have concluded my review of your appeal of the decision of Technical Preservation Services (TPS), National Park Service, denying certification of the rehabilitation of the property cited above. The appeal was initiated and conducted in accordance with Department of the Interior regulations (36 C.F.R. part 67) governing certifications for federal income tax incentives for historic preservation as specified in the Internal Revenue Code. I thank you, , and , for meeting with me via conference call on July 11, 2014, and for providing a detailed account of the project. During our conference call, I requested additional photographs of the second floor prior to the rehabilitation work.

After careful review of the complete record for this project, including the photographs you submitted with your letter of January 25, 2015, I have determined that the proposed rehabilitation of the Peoples State Bank Building is not consistent with the historic character of the property, and that the project does not meet the Secretary of the Interior's Standards for Rehabilitation (the Standards). Therefore, the denial issued on December 24, 2014, by TPS is hereby affirmed.

The former Peoples State Bank is a two-story brick building, built in 1910 at the corner of Main and State Streets, a prominent intersection in downtown Scottsville. Over time, the building had undergone significant alterations, including the installation of a pent roof covering the historic cornice above the first floor, and significant changes to the original banking space. However, the building retained many of its significant historic exterior features such as the upper and middle cornices and limestone window headers and sills. This former bank building is considered a locally exceptional example of early-twentieth century commercial architecture. The National Park Service issued a Preliminary Determination of Individual Listing (PDIL) that the property appears to meet the National Register Criteria for Evaluation and will likely be listed in the National Register of Historic Places if nominated by the State Historic Preservation Officer.

TPS, in its review of the Part 3 – Request for Certification of Completed Work, stated that the rehabilitation did not meet the Standards because of the cumulative impact of the rehabilitation on the overall historic character of the building. The issues TPS identified included changes to the floor plans of the ground and second floors, the loss of historic interior trim on the second floor, and the installation of

replacement windows that are not compatible with an early-20th century commercial building. TPS also noted that the historic plaster ceiling and cornice in the banking hall, portions of which remained prior to the project, was not replicated as described in the Part 2 application.

Although there are notable aspects of the project, such as removing the pent roof to reveal the historic cornice over the first floor, and restoring the inset corner entrance, in general, I concur with TPS' assessment. The photographs you recently submitted show that little historic trim remained on the second floor, and I have determined that its loss does not have a significant impact on the building's overall historic integrity. For that reason, the loss of second floor trim has not entered into my decision.

However, I have determined that the other aspects of the rehabilitation that TPS determined were not compliant are sufficient to cause the overall impact of the rehabilitation on the historic character of the property to fail to meet the Standards. With regard to the changes to the floor plans of the first and second floors, I have determined that the changes are extensive and sufficient to contravene Standard 2, which states, "*The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall be avoided.*" With regard to the historic plaster ceiling in the former banking hall, the Part 2 application indicated that it would be replicated in the rehabilitation. That work was not completed and the ceiling installed in that space does not convey the character of an early-20th century commercial building, contravening Standards 5 and 6. Standard 5 states, "*Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a historic property shall be preserved.*" Standard 6 states, "*Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old in design, color, texture, and other visual qualities and, where possible, materials. Replacement of missing features shall be substantiated by documentary, physical, or pictorial evidence.*" With regard to the replacement windows, they do not match the character of the windows typically found in early-20th century commercial buildings, contravening Standard 6, quoted above. Accordingly, I affirm the TPS decision of December 24, 2013.

This appeal decision means that the property is not eligible for the 20% tax credit for the certified rehabilitation of certified historic structures, as provided in the Internal Revenue Code. However, I note that the building was issued a PDIL, which means that if it has not subsequently been listed in the National Register of Historic Places, the property may qualify for the 10% tax credit for the rehabilitation of non-historic, non-residential buildings built before 1936.

As Department of the Interior regulations state, my decision is the final administrative decision with respect to the December 24, 2013, denial that TPS issued regarding rehabilitation certification. A copy of this decision will be provided to the Internal Revenue Service. Questions concerning specific tax consequences of this decision or interpretations of the Internal Revenue Code should be addressed to the appropriate office of the Internal Revenue Service.

Sincerely,



John A. Burns, FAIA
Chief Appeals Officer
Cultural Resources

cc: SHPO-MI
IRS